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File medical

MEMORANDUM FOR: Deputy Director for Administration

FROM: Harry E. Fitzwater  
Director of Personnel

SUBJECT: Overseas Medical Program - Standards for Time  
Limit Extension ☐

REFERENCE: PERS 79-2348, dated 9 April 1979, Subject: Overseas  
Medical Program

1. Action Requested: That you approve the recommendation contained in paragraph 4 which sets forth reasonable standards for determining the duration of extended coverage of medical benefits under the Agency's Overseas Medical Program. ☐

2. Background: Benefits under the Agency's Overseas Medical Program for the dependent wife of ☐ were extended by referent with the understanding that reasonable standards would be established to determine the duration of coverage. The Program specifically provides for an extension of benefits for dependents if the Director of Medical Services determines that the medical condition was initially contracted or materially aggravated by the patient's location abroad. When this determination is made, treatment at Government expense may be provided beyond 120 days until maximum benefit has been obtained from the treatment. Because of the nature of ☐ the Director of Medical Services believes that the issue of when maximum benefit of treatment will be reached should be the subject of administrative-legal review and guidance. ☐

☐ basic coverage of 120 treatment days commenced 30 June 1975. The first extension of 120 treatment days expired on 8 August 1977. Approval was based on a lack of continuity of treatment due to a change of doctors when the ☐ returned from ☐ PCS. The current extension provided additional coverage from 8 August 1977 to the present time and includes 179 treatment days. Extensions of coverage have thus far provided ☐ a total of 302 treatment days. ☐

For an employee, there is no time limitation on hospital care. Payment of any portion of expense for outpatient treatment of an employee is limited to one year beginning on the first day of treatment paid for under the Program. If the Director of Medical Services determines that adherence to the one-year limitation would result in serious inequity or hardship, the Director of Personnel may extend the period for treatment until maximum benefit of treatment has been obtained.

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3. Staff Position: In previous dependent cases of extended benefits the duration of coverage under the Agency's Overseas Medical Program was based on a determination by OMS of when maximum benefit of treatment had been reached. Because of the chronic nature of [ ] disease, and with its history of periodic remissions and relapses, medical opinions on when maximum benefit has been obtained will vary. This is not a new problem and was addressed in a previous case by the Office of Medical Services (OMS) and the Office of General Counsel (OGC) (attachment A). In that instance the OGC opinion was that, "the Agency may by appropriate regulation and policy decision, limit the maximum amount of benefits whether or not a waiver is granted." The opinion further indicates that a designated official could be authorized to reduce or discontinue benefits using some reasonable standards in making such determinations. The decision in that case was to extend coverage for 120 treatment days but not to exceed approximately 13 months, i.e., November 1969 to December 1970. [ ]

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25X1 The maximum benefit of treatment provision is taken from the overseas medical program [ ] In discussions with their Office of Medical Services we determined that they gauge maximum benefit of treatment in terms of whether further progress can be expected. As long as the condition is improving, or there is reason to believe that further improvement will take place within a reasonable period of time, then maximum benefit of treatment has not taken place. Using this approach it would appear likely that with a disease that fluctuates between remissions and relapses the decision would depend on whether the long-term trend shows improvement or decline. [ ]

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25X1 Since the Program's regular coverage is limited to 120 treatment days within a one year period, it appears reasonable that these limitations should be carefully weighed in establishing standards for extension. There should also be maximum periods for extensions so that employees and the Agency can plan accordingly. Given one year and 120 treatment days as the limit for a majority of cases, it would appear equitable to limit extended coverage in exceptional cases to five years from the first treatment date paid for under the Program or three extensions of 120 treatment days (a total of 360 additional treatment days). In [ ] case this would mean that 58 treatment days remain (360-302) and that coverage could not extend beyond 30 June 1980. [ ]

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25X1 In the case of employees, the extension of outpatient benefits beyond one year is based upon a determination of serious inequity or hardship. Department of State representatives indicate that they generally view hardship as being financial in nature and we have used this criteria where it was clear that an employee had limited resources. Instances of inequity have generally involved treatment of illness or injury which had to be deferred for medical reasons and could not normally be expected to take place within a one year period. [ ]

We now have pending a request for extension of outpatient benefits for an employee who contracted multiple sclerosis while he was stationed overseas. If the employee establishes that serious inequity or hardship is present, an extension can be approved until maximum benefit of treatment is obtained.

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It would appear that the same criteria for determining maximum benefit as that used for dependents would apply, i.e., whether further progress can be expected. There is no limit on the number of treatment days for employees. The maximum time limit for coverage should be the same as for dependents and five years from the first treatment date appears appropriate. ☐

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4. Recommendations: It is recommended that you approve the following standards for determining the duration of extended coverage of medical benefits under the Agency's Overseas Medical Program:

a. Extensions of dependent coverage will be made in increments of 120 treatment days.

b. Extensions of employee coverage for outpatient treatment will be made for periods of one year.

c. The maximum extensions of dependent coverage will not exceed 360 treatment days or five years from the first treatment date paid for under the Program.

d. The maximum extensions of employee outpatient coverage will not exceed five years from the first treatment date paid for under the Program.

e. Maximum benefit of treatment for the purposes of this Program will be obtained when the Director of Medical Services determines that no further progress in the condition can reasonably be expected.

f. An inequity for the purposes of this Program exists when the Director of Medical Services determines that it would be unreasonable to expect an employee to obtain maximum benefit of outpatient treatment within the one year time limitation.

g. A hardship for the purposes of this Program exists when the Director of Personnel determines that an employee's outpatient medical expenses and other expenses directly related to his or her illness or injury are of such a magnitude that they constitute financial hardship. In each instance the employee will be required to furnish a financial statement and to clearly establish financial need. ☐

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Harry E. Fitzwater

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Attachment

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